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SUBJECT: S/P DEPUTY DIRECTOR'S MEETING WITH MFA COUNTERPART
ON U.S.-PRC RELATIONS, ASIA, S.ASIA, G20, AND UNSC REFORM

Classified By: Political Minister Counselor Aubrey Carlson, reasons 1.4
(b, d)

¶1. (C) SUMMARY: The United States and China are both aware of the "strategic importance" of their relationship, notwithstanding recent "troubles" and "differences," said MFA Policy and Planning Department DDG Zhao Jianhua in a January 26 meeting with S/P Deputy Director Chollet. The Strategic and Economic Dialogue (S&ED) provides an important platform for the United States and China to exchange views, and China looks forward to another successful dialogue this year. China would like to see the United States play a "constructive role" in Asia, and it is not the objective of the PRC to push the United States out of the region. China is concerned with the domestic political stability of Pakistan and the larger implications instability would have for peace and stability in Afghanistan and the region. While the G20 proved useful during the recent global economic crisis, questions now need to be answered about the G20's ongoing responsibilities, its membership and its institutional status. China supports UN Security Council reform; however the process is complicated, without an easy way forward. END SUMMARY.

U.S.-China Relations

¶2. (C) DDG Zhao commented that the United States and China were currently going through "troubles," pointing to the Dalai Lama and Taiwan arm sales as examples, but both countries should keep the "strategic importance" of the relationship in mind and handle "sensitive issues" properly. Zhao stressed that the United States and China were in the same "village," with common interests exceeding differences, though those differences were important and should be treated carefully. Zhao believed that the S&ED provided an important platform for the United States and China to exchange views and focus on the "bigger issues," and China looked forward to another successful dialogue.

Regional Architecture and Cooperation

¶3. (C) Reviewing recent Japanese and Australian proposals to create a new mechanism to address Asia-Pacific issues, Zhao observed that the primary objective of Asian regional architecture was to create a "friendly" and "cooperative" neighborhood. China was open to new initiatives in this area so long as they were conducive to stability and development. China welcomed a constructive U.S. role in Asia. It was not the objective of the PRC to push the United States out of the region, as that was both "impossible" and "impractical," Zhao added.

¶4. (C) Zhao remarked that China's takeaway from the Secretary's January 12 speech in Honolulu was that the United States was interested in multilateral cooperation in the region. It was in China's interest to cooperate in building a regional architecture. Some of China's neighbors were

concerned, he claimed, that they would be forced to choose sides between the U.S. and China.

15. (C) In the past, regional multilateral cooperation did not hold much interest for China, but this position had shifted with China's reform and opening policy, said Zhao. That change in policy had not just been a tactical move but had reflected a strategic recognition that China was increasingly dependent on the international community. China was eager to play a constructive role in the regional and global community, to be a part of it, to benefit from it, and to contribute to its successful development. Zhao refuted some U.S. academics' questioning of China's strategic intentions. On the contrary, he said, China and the U.S. were more interdependent than ever. The common interests of the United States and China were the mutual interests of the region and the world, Zhao concluded.

Afghanistan and Pakistan

16. (C) DDG Zhao asked about the timeline of U.S. troop withdrawals from Afghanistan and the U.S. strategy toward the Taliban. Zhao expressed concern over increasing Taliban popularity in Afghanistan. Military efforts in the region would not achieve comprehensive success without the support of the local populace. Increased efforts were needed to improve the livelihoods of the Afghan people, he noted.

17. (C) Zhao remarked that China was concerned about the overall regional structure and stability in the region. He referred to Afghanistan and Pakistan as being situated in China's "neighborhood" and said that China welcomed any

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effort to bring stability to the two countries. As a close "friend" and neighbor to Pakistan, China was apprehensive about Pakistan's domestic political stability and the impact instability would have on Afghanistan and the region. Pakistan being a nuclear power state, there was increased urgency for China to help the government in Pakistan stabilize and prevent a takeover by radicals, Zhao concluded.

G20

18. (C) While China acknowledged the important role that the G20 had played in policy coordination during the global economic crisis in 2009, DDG Zhao questioned the future of the organization now that the worst of the financial crisis was over. He wondered whether the USG believed the G20 should remain a platform merely for financial and economic issues, or if it should tackle other global topics like the environment and climate change. Zhao suggested that other issues, including G20 membership and institutional structure, should be addressed soon. He expressed concerns that the grouping's current membership structure was not fully reflective of the international community. He floated the possibility of including representatives from regional organizations and mentioned that ASEAN and the African Union had already posed such questions to the PRC. Zhao maintained that he did not think it was necessary to transform the G20 into a formal institution like the UN.

UN Security Council Reform

19. (C) Zhao noted that UN Security Council (UNSC) reform was a complicated process "without an easy way forward." While Zhao reaffirmed previous PRC statements that UNSC reform should be based on consensus, he acknowledged that different "blocs" with different interests and agendas existed within the UN. The United States was clear on China's position, he said, and shared common objectives to make the UN more effective.

HUNTSMAN